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11-889

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28 January 1959

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Proposed Legislation on Foreign Gifts and Decorations

1. This memorandum contains a recommendation in paragraph 6 for approval of the Director of Central Intelligence.

2. The Office of General Counsel has participated in all of the deliberations of the Interdepartmental Study Group set up to consider the problem raised by the Constitution on acceptance of gifts and decorations from foreign governments. The solution recommended to the Cabinet is the proposed legislation in Annex A of the attached Cabinet Paper.

3. Very simply, this would give in advance the congressional approval required for acceptance of such gifts by Government employees. For gifts of no substantial intrinsic or resale value, the determination to retain the gifts could be made by an employee's superior officer with report thereof required to the head of the agency. Retention of decorations tendered for combat services or personal heroism can be approved by the head of the agency. Other gifts and decorations must go through a reporting and approval procedure before the gifts may be returned to the employee.

4. Our main contribution to the draft legislation was to add in certain places where the Secretary of State was named the words or an official designated by him. It was understood that a proper official of this Agency could be such a designated official.

5. Section 7 requiring reports to the Congress in cases in which it has been determined that the gifts should be returned to the

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individual may cause some difficulty. Where security problems arise, either the determination to return the gift can be delayed or special arrangements for a classified report to the Congress may be made. The study group felt that such a reports requirement was essential to the legislation.

6. The proposed legislation has been coordinated with the Office of Personnel, which is handling the Agency's existing gift program under CIA [redacted] It has also been explained to [redacted] who found it acceptable from the Deputy Director (Plans) point of view. I recommend informing Mr. Gray that this Agency supports the proposed legislation in its present form.

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s/ Lawrence R. Houston

LAWRENCE R. HOUSTON
General Counsel

Att-Cabinet Paper, 26 Jan 59

The recommendation in paragraph 6 is approved

[redacted] advised

1/29/59.

[redacted]

Signed C. P. CABELL

~~ALLEN W. DULLES~~
Deputy Director 29 JAN 1959

General Counsel advised.

1/ Blg.

OGC:LRH:jeb
~~Orig &~~ 1cc-General Counsel w/ att
1-DCI w/o att
1-DDCI w/o att
1-ER ~~w/o att~~ orig
2-DD/S w/o att
1-Director of Personnel w/o att
1-Chief, I&R w/o att

OGC Has Reviewed

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